

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:381

ANSWERED ON:01.03.2002

INVESTMENT LIMIT OF OCBs

KAMBALAPADU E. KRISHNAMURTHY;RAGHUNATH JHA

Will the Minister of FINANCE be pleased to state:

(a) whether the five Overseas Corporate Bodies (OCBs) viz. European Investment Limited, Far East Investment Limited, Wakefield Holding Limited, Brentfield Holdings Limited and Kensington Investment Limited with a total capital base of Rs. 7.53 lakh repatriated a net of Rs. 2900 Crore during the two years ending March, 2001;

(b) if so, how with so very small capital these OCBs transacted in such large quantities of scrips as to repatriate nearly three thousand crores of rupees outside the country ;

(c) whether is there any investment limit for these OCBs;

(d) if so, the details thereof;

(e) if not the reasons therefor;

(f) whether there is any proposal to insert investment limit for OCBs; and

(g) if so, the details in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIKHE PATIL)

(a) Yes, Sir.

(b),(c),(d) and (e) : The net outflow may include sales/repatriation of underlying shares acquired by Overseas Corporate Bodies (OCBs) outside India with foreign exchange resources through ADR/GDR/FCCB route, purchases from other NRIs/OCBs and sale in India of the underlying shares and for which there may be no corresponding inflow under the Portfolio Investment Scheme (PIS) data.

(f) & (g) : It has been decided that with effect from 29.11.2001, OCBs shall not be permitted to invest under the PIS in India.